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 TO RUEHC/SECSTATE WASHDC 2740
 INFO RUEHBR/AMEMBASSY CARACAS 9627
 RUEHBR/AMEMBASSY BRASILIA 1127
 RUEHWN/AMEMBASSY BRIDGETOWN 274
 RUESGT/AMEMBASSY GUATEMALA 1223
 RUESKN/AMEMBASSY KINGSTON 503
 RUESLZ/AMEMBASSY LA PAZ 2205
 RUESLM/AMEMBASSY LIMA 1078
 RUESMG/AMEMBASSY MANAGUA 1099
 RUEHME/AMEMBASSY MEXICO 607
 RUEHZP/AMEMBASSY PANAMA 7630
 RUESQI/AMEMBASSY QUITO 886
 RUESJO/AMEMBASSY SAN JOSE 1620
 RUESAL/AMEMBASSY SAN SALVADOR 1214
 RUESTE/AMEMBASSY TEGUICGALPA 1087
 RULPALJ/USSOUTHCOM QUARRY HEIGHTS
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 C O N F I D E N T I A L BOGOTA 6599

Colombia

E.O. 12065: GDS 6/8/88 (MAERTENS, THOMAS R.) OR-P
 TAGS: PINR, PEPR, PINS, PITNT, SNAR, SHUM, EGEN, CO
 SUBJECT: PRESIDENT-ELECT BELISARIO BETANCUR

REF: A) 81 BOGOTA 13460 (NOTAL); B) BOGOTA 5562 (NOTAL)

1. CONFIDENTIAL- ENTIRE TEXT.

2. SUMMARY: BELISARIO BETANCUR HAS A NUMBER OF ATTRIBUTES AND ASSETS THAT WILL STAND HIM IN GOOD STEAD AS PRESIDENT, INCLUDING HIS REPUTATION FOR INTEGRITY, HIS RECORD OF CONCERN FOR THE COMMON MAN, HIS PROVEN ADMINISTRATIVE SKILL, AND HIS ABILITY AS A PEACEMAKER AND CONCILIATOR. TURBAY'S LIFTING OF THE STATE OF SIEGE ALSO HELPED GET BELISARIO OFF THE HORNS OF A DILEMMA: DECREETING A BROAD AMNESTY AT THE RISK OF OFFENDING MILITARY SENSITIVITIES. BUT ALL THESE SKILLS AND MORE LUCK MAY BE NEEDED IF BELISARIO IS TO CARRY OUT HIS POPULIST CAMPAIGN PROMISES WHILE NEITHER RAISING TAXES, NOR INCREASING BUDGET DEFICITS AND POSSIBLY INFLATION SUBSTANTIALLY, AND STILL RETAIN THE SUPPORT OF THE TWO FREQUENTLY ANTAGONISTIC WINGS OF THE CONSERVATIVE PARTY. TO BE SUCCESSFUL, HE WILL ALSO NEED SUPPORT FROM THE LIBERAL PARTY, WHICH WILL HAVE A MAJORITY IN BOTH HOUSES OF CONGRESS. BELISARIO WILL BE SYMPATHETIC TO U.S. VIEWS AND INTERESTS ON EAST-WEST AND NARCOTICS ISSUES, AS WELL AS MOST HEMISPHERIC ISSUES. ALTHOUGH THIS KNOWN NATIONALISM COMBINED WITH WHAT EVEN HIS FRIENDS VIEW AS HIS VOLATILE NATURE MAKE HIM A SOMEWHAT UNPREDICTABLE ALLAY ON THESE AND OTHER KEY BILATERAL ISSUES. END

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SUMMARY.

3. IT IS TYPICAL OF THE MAN THAT BELISARIO'S FIRST WORDS TO THE NATIONAL AFTER BEING ELECTED PRESIDENT WERE AN APOLOGY TO HIS EX-RIVALS FOR ANY OFFENSIVE WORDS HE MAY HAVE USED DURING THE CAMPAIGN. SUCH GESTURES AS THIS ACCOUNT FOR THE FACT THAT, AS THE LIBERAL "EL ESPECTADOR" SAID THE FOLLOWING DAY, BELISARIO BETANCUR DOES NOT HAVE AN ENEMY IN THE ENTIRE COUNTRY. OTHER NEWSPAPERS AND POLITICIANS HAVE MADE SIMILAR STATEMENTS. ONE POLITICIAN ACCOUNTED FOR THIS BY NOTING THAT BELISARIO'S WORDS NEVER LEAVE SCARS. THIS IN TURN IS ATTRIBUTABLE TO THE FACT THAT BELISARIO RARELY ATTACKS OTHER POLITICIANS. HE VIEWS HIS OPPONENTS AS TEMPORARY ADVERSARIES, NOT ENEMIES. INSTEAD, HE CONCENTRATES ON ESPOUSING HIS OWN PROGRAM, SUCH AS IT IS, AND MORE IMPORTANTLY, ON REINFORCING HIS IMAGE AS A CONGENIAL AND AVUNCULAR MAN OF THE PEOPLE. THIS HE DID WITH PARTICULAR SUCCESS DURING THE CAMPAIGN. BUT HE ALSO BENEFITED FROM HAVING LIBERAL DISSIDENT LUIS CARLOS GALAN DOING THE HATCHET JOB ON ALFONSO LOPEZ MICHELSEN FOR HIM.

4. A SECOND BELISARIO ASSET IS HIS REPUTATION FOR HONESTY AND MORAL RECTITUDE. THIS CONTRASTS WITH THE LOPEZ FAMILY'S APPARENTLY WELL DESERVED REPUTATION FOR FINANCIAL WHEELING AND DEALING AND NEPOTISM, AND EVEN PRESIDENT TURBAY'S ALL TO PUBLIC AND WELL PUBLICIZED BOUTS OF DRINKING AND WOMANIZING. ONE CONSERVATIVE PARTY SPOKESMAN EVEN WENT SO FAR AS TO CLAIM THAT THE PRINCIPAL REASON FOR BELISARIO'S VICTORY WAS OPULAR DISGUST OVER THE PUBLIC IMMORALITY OF LIBERAL PARTY LEADERS. BELISARIO'S IMAGE IS NOT HURT AT ALL BY HIS SEEMINGLY MODEL FAMILY LIFE AND HIS STRONG AND PUBLICLY-PROFESSED RELIGIOUS FAITH.

5. THERE IS ANOTHER ASPECT TO BELISARIO'S REPUTATION FOR INTEGRITY: ALMOST NO ONE SEEMS TO DOUBT HIS GOOD INTENTIONS NOR HIS ESSENTIAL DECENCY. THIS IS QUITE UNUSUAL IN A COUNTRY WHERE MANY POLITICIANS ARE VIEWED AS SEEKING POWER FOR THE PERSONAL, USUALLY FINANCIAL, GAINS TO BE HAD FROM OFFICE? IF ANYTHING, BELISARIO IS VIEWED BY SOME POLITICIANS AS EXCESSIVELY IDEALISTIC, BORDERING ON THE MESSIANIC, WHICH CAN LEAD TO OTHER PROBLEMS, OF COURSE. ILLUSTRATIVE OF THIS IS BELISARIO'S CONTINUAL REFERENCE DURING THE CAMPAIGN TO BEING THE NATIONAL CANDIDATE OF ALL COLOMBIANS, ABOVE IDEOLOGICAL OR PARTISAN CONTROVERSY (WHICH MUST HAVE RAISED QUESTIONS IN THE MINDS OF ALVARO GOMEZ AND MISAEL PASTRANA, THE TWO CONSERVATIVE PARTY FACTIONAL LEADERS WHO UNITED TO NOMINATE BELISARIO).

6. A THIRD ASSET FOR BELISARIO, BOTH DURING THE CAMPAIGN AND AS PRESIDENT, IS HIS HUMBLE ORIGIN AND HIS CONSISTENT CONCERN FOR SOCIAL JUSTICE AND EQUALITY. ONE OF TWENTY-TWO CHILDREN OF A POOR COAL MINER, BELISARIO'S RISE TO THE PRESIDENCY READS MUCH LIKE AN ABE LINCOLN BIOGRAPHY. THE PRESS HAS PLAYED IT MUCH THE SAME WAY, INCLUDING PICTURES OF THE "HUMBLE" BED WHERE BELISARIO WAS BORN, THE "HUMBLE" HOUSE WHERE HE LIVED, THE "HUMBLE" ONE-ROOM ADOBE SCHOOLHOUSE HE ATTENDED ETC. BELISARIO HAS

MAINTAINED AN IMAGE OF AUSTERITY AND SIMPLICITY SINCE THE ELECTION INCLUDING VISITING HIS CAMPAIGN HEADQUARTERS FOR THE POST-ELECTION CELEBRATION IN A MINUSCULE RENAULT 4.

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7. BELISARIO'S WELL-KNOWN ORIGINS LENT CREDIBILITY TO HIS MOST WIDELY DISCUSSED AND POPULAR CAMPAIGN PROMISES: LOS COST HOUSING WITHOUT A DOWN PAYMENT AND IMPROVED EDUCATIONAL OPPORTUNITIES, INCLUDING EXTENSION COURSES, THAT WILL ALLOW EVERY HIGH SCHOOL GRADUATE A UNIVERSITY EDUCATION. MANY HAVE EXPRESSED CONCERN THAT THESE TWO PROGRAMS, (REFTEL A), ARE ECONOMICALLY UNREALISTIC AND POLITICALLY UNATTAINABLE, PARTICULARLY IF PURSUED AT THE SAME TIME. FOR EXAMPLE, AS EMBASSY NOTED IN REF B, THERE IS A SUBSTANTIAL DOUBT AS TO WHETHER HOUSING AT THE COST SPECIFIED BY BELISARIO IS FEASIBLE AT ALL, AND HENCE, WHETHER THE RESOURCES HE PROPOSES TO earmark FOR THE PROGRAM WOULD PERMIT MORE THAN A SMALL FRACTION OF THE COUNTRY'S HOUSING NEEDS TO BE MET. POLITICALLY, SUCH MEASURES DRAW LITTLE ENTHUSIASM FROM THE ALVARISTA WING OF HIS PARTY, WHICH TAKES A MORE "SUPPLY SIDE" APPROACH TO DEVELOPMENT.

8. MORE SERIOUS IN THE LONG TERM, THE PRESSURES FOR BOTH SOCIAL INNOVATION AND INDUSTRIAL DEVELOPMENT, WHICH BELISARIO HAS FULLY ESPOUSED AS A SOURCE OF JOB CREATION, MAY CREATE SEVERE STRAINS ON THE ECONOMY. WHILE THE THEORY IS THAT INDUSTRIAL REVIVAL WILL CREATE NEW TAX REVENUES AS WELL AS NEW JOBS, AND THAT A MORE EFFICIENT TAX COLLECTION SYSTEM CAN REDUCE EVASION (AT LEAST HALF OF ALL COLOMBIANS EVADE INCOME TAXES), THE PRESSURES ON BOTH THE BUDGET AND DOMESTIC FINANCIAL MARKETS MAY PROVE TOO GREAT. NO LESS THAN SOCIAL PROGRAMS, SUBSIDIES TO INDUSTRY, ESPECIALLY IF COUPLED WITH PRICE CONTROLS, COST MONEY. THE BUDGET FOR THIS YEAR IS ALREADY PROJECTED TO RUN A \$2 BILLION DEFICIT. FINANCING SUCH DEFICITS THROUGH DOMESTIC CAPITAL MARKETS WILL ONLY SERVE TO KEEP INTEREST RATES HIGH (IN DIRECT OPPOSITION TO A CAMPAIGN PROMISE, AND TO THE INDUSTRIAL REVIVAL), WHILE FURTHER BORROWING OVERSEAS OR FROM THE CENTRAL BANK COULD BE HIGHLY INFLATIONARY. TO BE SURE THE END OF HIS TERM WILL SEE SUBSTANTIAL NEW REVENUES THROUGH TAXES AND ROYALTIES ON COAL EXPORTS; POLITICS, HOWEVER, WOULD DICTATE A SPEEDY BEGINNING. ASSUMING THAT COLOMBIA'S LONG-STANDING MONETARY AND FISCAL CONSERVATISM CAN BE ATTENUATED, BUT NOT SWEEPED AWAY, THERE IS A VERY REAL DANGER THAT BALISARIO MAY HAVE AROUSED EXPECTATIONS WHICH CANNOT BE FULFILLED.

9. OTHER SOCIAL WELFARE PROGRAMS WHICH BELISARIO HAS PROMISED DURING HIS CAMPAIGN INCLUDE IMPROVED HEALTH FACILITIES, INCREASED GOVERNMENT AID TO EDUCATION (INCLUDING DIRECT GOVERNMENTAL SUBSIDIES TO STUDENTS FOLLOWING SELECTED COURSES THAT THE GOVERNMENT APPROVES), AND REDISTRIBUTION OF WEALTH BY THE STATE IN THE FORM OF (UNSPECIFIED) INCREASED PUBLIC SERVICES. HE ALSO HAS PROMISED ADDITIONAL INCENTIVES AND CREDITS TO THE AGRICULTURAL SECTORS. ALTHOUGH BELISARIO FAVORS THE GOVERNMENT CREATING INCREASED EMPLOYMENT, HE HAS STATED THAT HE WILL FREEZE GOVERNMENT HIRING AND LET NATURAL ATTRITION REDUCE THE GOVERNMENT PAYROLL. THERE REMAINS LITTLE DOUBT THAT BELISARIO IS COMMITTED TO THE UNDERCLASSES, HOWEVER. AS HE SAID IN THE MAY 31 ACCEPTANCE SPEECH, "MY SOLE ASPIRATION... IS THAT AT THE END OF MY MANDATE, IT MAY BE SAID THAT I WAS A JUST RULER WHO FOUGHT ALONGSIDE THE HUMBLE FROM WHOM I CAME."

10. IN A BACKHANDED MANNER, BELISARIO HAS BEEN TAKEN OFF THE HORNS OF ONE OF HIS MOST DIFFICULT AND IMMEDIATE DILEMMAS: THE NEED TO CHOOSE BETWEEN HIS PROMISED SUPPORT FOR A BROAD AMNESTY AND

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CONCERN FOR MILITARY SENSITIVITY ON THIS ISSUE. PRESIDENT TURBAY'S DECISION TO END THE STATE OF SIEGE (IT WILL EFFECTIVELY TERMINATE ON JUNE 20) REMOVES THE EXECUTIVE PREROGATIVE, BASED ON THE STATE OF SIEGE, TO DECREE A BROAD AMNESTY ALONG THE LINES OF THAT PROPOSED BY THE PEACE COMMISSION. ANY AMNESTY NOW WILL BE POSSIBLE ONLY THROUGH CONGRESSIONAL LEGISLATION.

11. ANOTHER ASSET FOR BELISARIO AS PRESIDENT IS HIS PROVEN ADMINISTRATIVE SKILL. ALTHOUGH HE HAS NOT HAD EXTENSIVE GOVERNMENT EXPERIENCE SINCE HIS FOUR-YEAR PERIOD AS MINISTER OF LABOR IN THE 1960'S, AS MINISTER, HE WAS SAID TO BE AN EFFICIENT AND SKILLFUL

ADMINISTRATOR WHO WAS ABLE TO OBTAIN THE BEST FROM HIS SUBORDINATES. LONG-TIE LABOR LEADERS STILL SPEAK FAVORABLY OF BELISARIO'S WORK AS A LABOR LAWYER IN THE 1950'S AND AS MINISTER OF LABOR IN THE EARLY 1960'S. IN THE LATTER POSITION BELISARIO IS RECALLED FOR HAVING FORCEFULLY OPPOSED A "LOCKOUT" BY A LOCAL CEMENT FIRM AND HAVING RESIGN IN PROTEST OVER THE EFFORTS OF EXXON'S COLOMBIAN SUBSIDIARY TO BLOCK CONSTRUCTION OF A GOVERNMENT-OWNED PETROLEUM REFINERY. HE HAS ASSURED LABOR LEADERS THAT HE WILL BE ACCESSIBLE TO THEM. BELISARIO HAS PUBLICLY ADVOCATED THE FORMATION OF A CAREER CIVIL SERVICE-- TO DO AWAY WITH PUBLIC NEPOTISM-- AND THE DIRECT ELECTION OF GOVERNORS AND MAYORS. WE ALSO BELIEVE THAT HE WILL BE LESS TOLERANT OF POLITICAL AND FINANCIAL CORRUPTION THAT RECENT PRESIDENTS HAVE BEEN.

12. BELISARIO'S MOST IMPORTANT ASSET MAY BE HIS SKILL AS A CONCILIATOR. MAINTAINING THIS REPUTATION, PARTICULARLY WHEN IT COMES TO APPORTIONING GOVERNMENT POSTS, WILL BE A TEST OF BELISARIO'S SKILL. HE WILL HAVE TO WORK WITH A SENATE WHICH HAS 51 CONSERVATIVES OUT OF 114 MEMBERS AND A HOUSE WHICH HAS ONLY 84 CONSERVATIVES OUT OF 199 MEMBERS. MOST OF THE DEPARTMENTAL ASSEMBLIES AND THE MAJORITY OF THE MUNICIPAL COUNCILS ARE ALSO DOMINATED BY THE LIBERAL PARTY. BELISARIO HAS STATED THAT HE FAVORS THE CONTINUED LIBERAL-CONSERVATIVE POWER SHARING MANDATED BY ARTICLE 120 OF THE CONSTITUTION AND HAS PUBLICLY ASSURED THE LIBERALS OF SEVERAL MAJOR CABINET POSITIONS AS WELL AS THE "WATCH DOG" POSITIONS OF CONTROLLER AND ATTORNEY GENERAL. BELISARIO WAS SUCCESSFUL IN KEEPING THE CONSERVATIVE PARTY UNITED BEHIND HIS CANDIDACY, BUT HE WILL FACE CONFLICTS WITHIN HIS OWN PARTY WITH ALVARO GOMEZ ATTEMPTING TO PULL HIM IN ONE DIRECTION AND MISAELO PASTRANA IN ANOTHER. THUS, BELISARIO'S PUBLICLY CONCILIATORY ATTITUDE IS PROBABLY ESSENTIAL TO A PRODUCTIVE GOVERNMENT. BUT BELISARIO CAN ALSO COUNT ON THE POLITICIANS' RESPECT OF THE OFFICE OF THE PRESIDENT. INDEED, COLOMBIA'S STRONG PRESIDENTIAL SYSTEM PROVIDES BELISARIO WITH NUMEROUS INSTRUMENTS (INCLUDING GENEROUS -- THOUGH NOT UNLIMITED -- DECREE POWERS AND ULTIMATE AUTHORITY OVER MOST PATRONAGE) TO MANAGE THE CONGRESS, THE LIBERALS AND HIS OWN PARTY.

13. FROM THE FOREGOING, WE JUDGE THAT BELISARIO HAS THE ATTRIBUTES AND ASSETS TO BE A SUCCESSFUL PRESIDENT. WE NONETHELESS, HAVE SOME RESERVATIONS ABOUT HIM. SOME OF BELISARIO'S PRONOUNCEMENTS, BOTH PUBLIC AND PRIVATE, HAVE BEEN PAINFULLY SIMPLISTIC. EVEN EX-PRESIDENT PASTRANA, ONE OF BELISARIO'S PRINCIPAL BOOSTERS, HAS PRIVATELY EXPRESSED CONCERN ABOUT BELISARIO'S NAIVETY. THERE IS IN BELISARIO'S DESIRE TO BE ALL THINGS TO ALL MEN THE ABSENCE OF A CUTTING

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EDGE TO HIS POLITICAL PHILOSOPHY THAT COULD PLAGUE HIS ADMINISTRATION'S EFFORTS TO MAKE THE HARD DECISIONS NECESSARY TO REFORM COLOMBIA'S SEVERE ECONOMIC, SOCIAL AND POLITICAL PROBLEMS. SECOND, WE HAVE PREVIOUSLY NOTED BELISARIO'S TENDENCY TO STOP THE POPULISM. THIS MAY ALREADY HAVE LED HIM TO PROMISE MORE THAN HE CAN DELIVER. THIRD, BELISARIO'S FRIENDS AND ADVISERS TELL US, THAT IN CONTRAST TO HIS PUBLIC PERSONA, BELISARIO IN PRIVATE IS VOLATILE AND UNPREDICTABLE INDIVIDUAL. IN ADDITION, HE HAS A BASIC DISTRUST/DISLIKE OF THE MILITARY/POLICE AND THE INVESTIGATIVE AGENCIES. THIS COMBINED WITH HIS MOST ENDURING CHARACTERISTIC, NATIONALISM, COULD CAUSE PROBLEMS FOR US AND FOR COLOMBIA'S NEIGHBORS. ALTHOUGH BELISARIO TAKES A GENERALLY SIMILAR VIEW OF EVENTS IN CENTRAL AMERICA AS THE U.S. AND OPPOSES RENEWING RELATIONS WITH CUBA, HE HAS PUBLICLY STATED OPPOSITION TO THE F-16 SALE TO VENEZUELA AND HE HAS BEEN MORE SUPPORTIVE PUBLICLY OF THE ARGENTINE POSITION IN THE SOUTH ATLANTIC (SEE BOGOTA 5760 FOR DISCUSSION OF BELISARIO'S LIKELY FOREIGN POLICY). THUS, ALTHOUGH WE VIEW BELISARIO AS BASICALLY SYMPATHETIC TO U.S. VIEWS AND INTERESTS, WE ALSO EXPECT THAT BELISARIO WILL SEEK TO DEFINE HIS OWN FOREIGN POLICY AS DIFFERENT FROM, AND POSSIBLY NOT AS HELPFUL AS, PRESIDENT TURBAY'S. WITH RESPECT TO NARCOTICS, BELISARIO HAS MADE FEW PUBLIC STATEMENTS. PRIVATELY, HE HAS INDICATED STRONG DISAPPROVAL OF THE TRAFFICKING, HOWEVER, WE THEREFORE EXPECT HIM TO BE REASONABLY COOPERATIVE WITH OUR ANTI-NARCOTICS EFFORT, PARTICULARLY SINCE HE HAS LITTLE OR NOT POLITICAL OBLIGATION TO NORTH COAST POLITICIANS.

BOYATT
END OF MESSAGE

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